



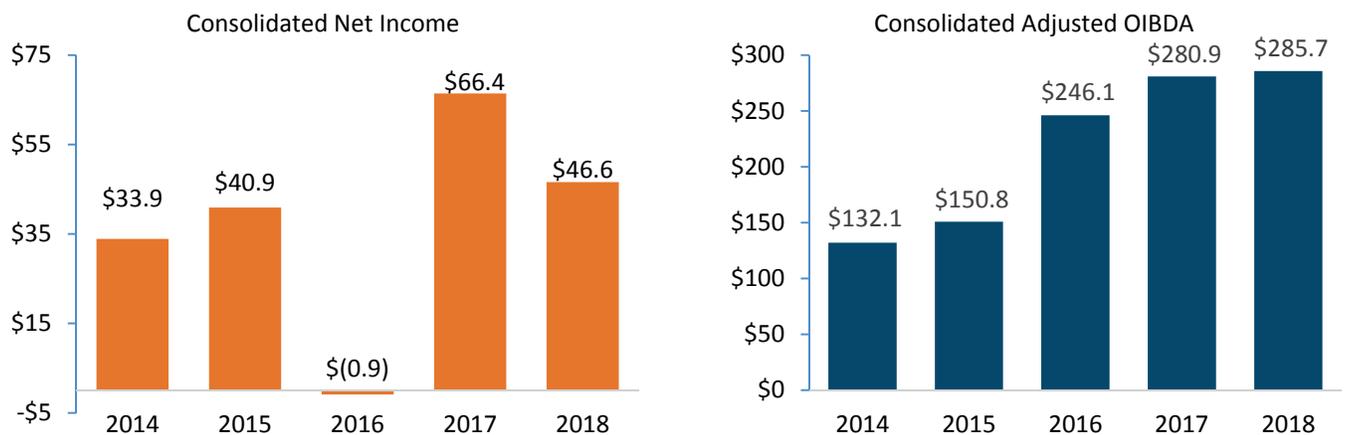
March 7, 2019

Dear Shareholder:

Your Company experienced another great year in 2018, with strong consolidated revenue growth and a significant increase in operating income. Our improved financial performance was complemented by many operating achievements, as we experienced customer growth in all of our business segments and extended the reach and capacity of our wireless, cable and fiber networks. This growth was recognized when Shentel was named to FORTUNE Magazine's 100 Fastest Growing Companies list of domestic and foreign publicly traded companies for 2018.

Overall financial results were excellent. Revenues for 2018 were \$630.9 million, an increase of \$18.9 million or 3.1 percent over 2017, while operating expenses were \$537.6 million, a decrease of \$27.9 million or 4.9 percent lower than 2017. Net income for the year was \$46.6 million, down from 2017's \$66.4 million, which included a one-time non-cash tax benefit of \$53.4 million due to federal tax law changes. Operating income more than doubled to \$93.2 million compared to \$46.5 million in 2017.

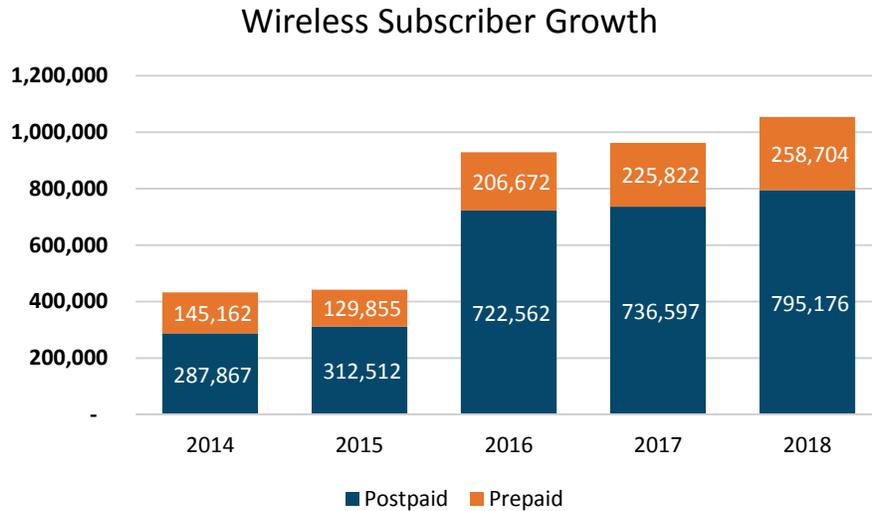
A history of our consolidated net income and Adjusted Operating Income Before Depreciation and Amortization (Adjusted OIBDA), can be seen in the following charts. Adjusted OIBDA is a non-GAAP financial measure that provides an indication of our operating performance.



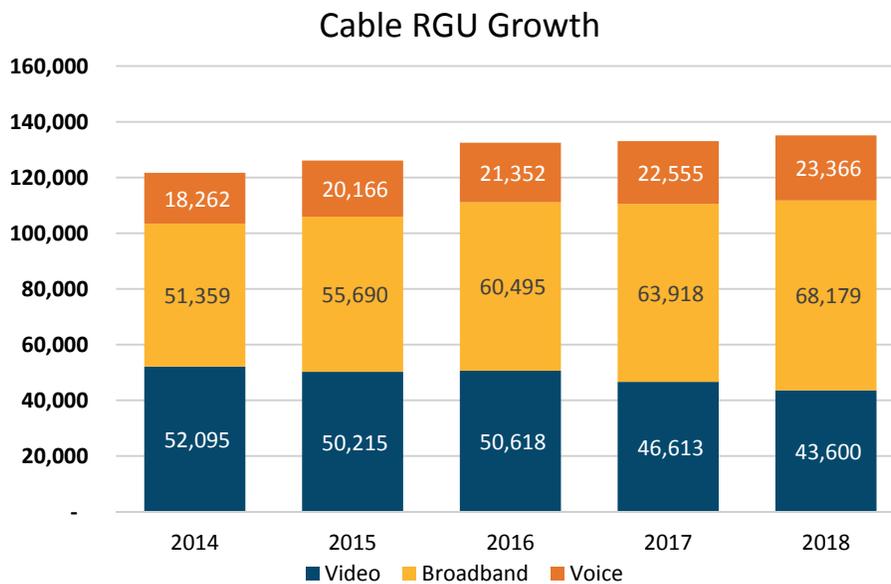
As a result of our continued strong financial performance, the Board of Directors increased the annual cash dividend to \$0.27 per share, an increase of 3.8 percent over the 2017 dividend. This dividend represents the 59th year of continuous dividend payments since the Company paid its first dividend in 1960, and was the 19th time we raised the dividend in the past 21 years.

All three of our business segments experienced customer growth during 2018. In our Wireless segment, we ended the year with 795,176 postpaid subscribers and 258,704 prepaid subscribers, reflecting increases of 8.0% and 14.6%, respectively, compared with year-end 2017. This subscriber growth includes approximately 54,000 total subscribers acquired as part of the agreement reached with Sprint in February 2018 to expand our affiliate service territory, adding a population of approximately 1.1 million in Lancaster County, Pennsylvania, central and southwest Virginia, southern West Virginia, and eastern Kentucky. Shentel signed a similar agreement in 2017, expanding service to approximately 500 thousand people in the Parkersburg, West Virginia and Cumberland, Maryland areas. Our expanded wireless territory now covers a population of more than seven million.

The Wireless growth in 2018 was capped by a record number of net additions of postpaid customers in the fourth quarter of the year. A longer term view of our history of Wireless growth can be seen in this chart.



Our Cable segment continued its strong growth trends, despite industry-wide declines in traditional video subscriptions. Losses in video Revenue Generating Units (RGUs) were offset by higher growth in high-speed broadband and voice RGUs. As customers increasingly obtain their video content from online providers, they subscribe to fewer traditional cable television video services. Contributing to this trend are the price increases programmers and content providers demand for their content to be delivered over our traditional cable network, and the retransmission fees which we are required to pay for delivering content that broadcasters provide free over the air. The following chart shows both the history of total RGU growth in our Cable segment, as well as the changing mix of services.

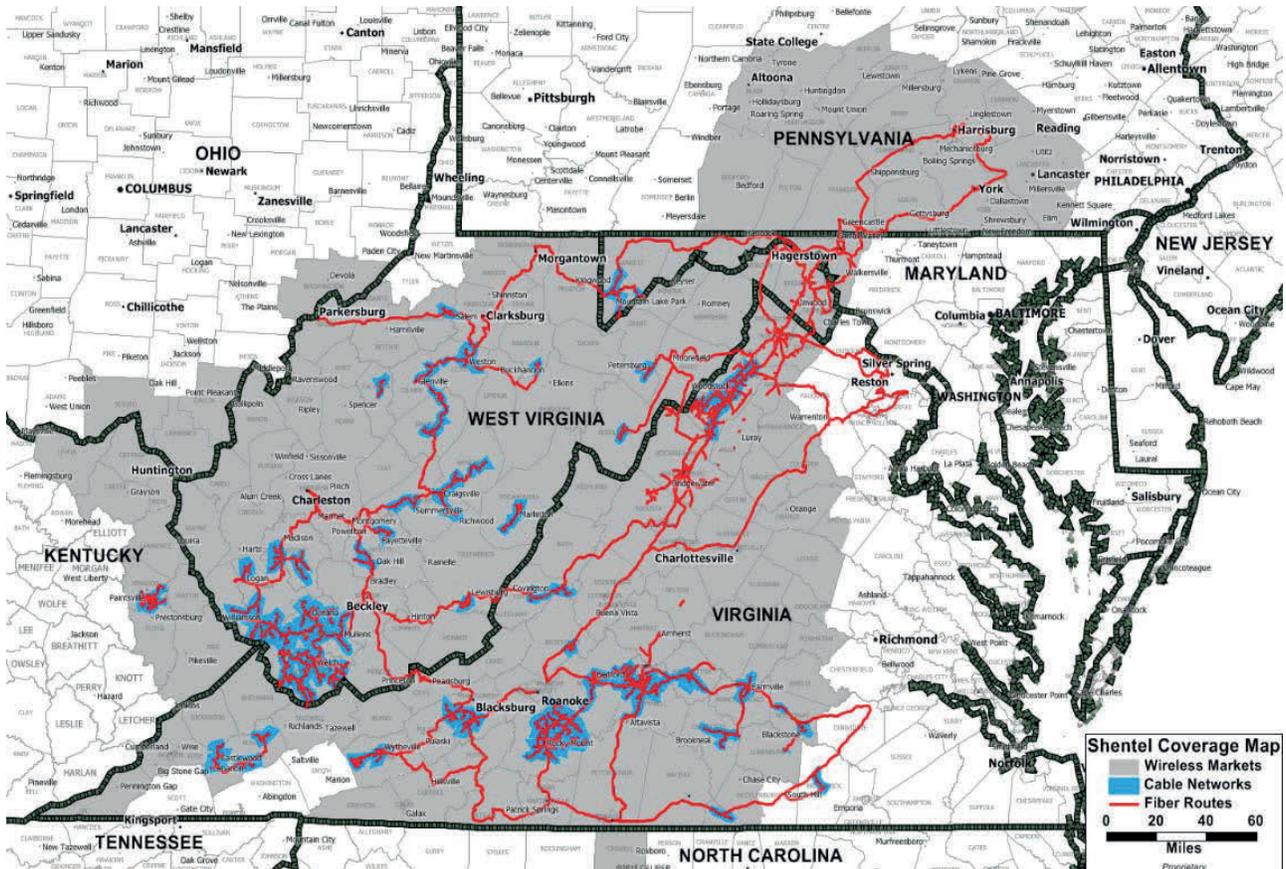


To meet the demand for higher data speeds and greater broadband capacity, we continue to invest in and upgrade our Cable segment network. At year-end 2018, 63 percent of the homes passed had access to broadband speeds of 1 Gigabit per second. This included locations served by our cable network in Shenandoah County. Additionally, 96 percent of homes passed throughout all of our markets had access to speeds of 100 Megabits per second or greater. Coupled with our focus on reliability, our network speed and bandwidth enables us to meet and exceed customer expectations, making it the preferred network for dependably accessing voice, video or data applications.

At the end of February 2019, we announced an agreement to purchase Big Sandy Broadband, a cable television, high-speed broadband and voice provider located in eastern Kentucky. The Big Sandy system is adjacent to our existing cable markets in West Virginia, and will add approximately 4,700 RGUs to our Cable segment, including more than 2,200 broadband RGUs.

Our Wireline segment also experienced customer growth in 2018, reflecting trends similar to those in our Cable segment, and also reflecting growth in revenue from leases of our fiber network's capacity. We continue to offer competitive fiber solutions for municipalities and school systems, and increasingly are extending our fiber network to wireless cell sites to support the growing data needs of wireless carriers. In addition to serving as a source of revenue, our extensive fiber network also supports our own Wireless and Cable businesses, lowering our operating costs and enabling us to provide reliable and high-quality services.

During 2018, we added 212 additional route miles to our fiber network, and we ended the year with a total of 5,641 route miles in a network that extends through Virginia, West Virginia, Maryland and Pennsylvania. The following map shows our extensive fiber network in relation to our Cable systems and our Wireless market area.



As our company has grown and evolved over the years, our dedicated team of employees has been a key part of our success. They work tirelessly to ensure that our rural markets have the same or better network coverage, broadband speeds, and reliability of service as found in more densely populated areas. Our employees' ability to change and adapt has allowed our Company to successfully overcome the many challenges of providing advanced telecommunication services in rural areas.

Our senior management team has also changed, as 2018 saw the retirement of one senior executive and the hiring of a new senior leader. After a fifteen-year career with Shentel as our Executive Vice President and Chief Operating Officer, Earle MacKenzie retired in the summer of 2018. Earle was instrumental in the growth and success of our organization, and his time with Shentel capped a distinguished 45-year career in telecommunications.

Dave Heimbach joined our organization in May 2018 as Executive Vice President and Chief Operating Officer. Dave is a 20-year veteran of the telecommunications industry, having served in a variety of senior management roles with both large corporations and entrepreneurial start-ups. He most recently served as Chief Operating Officer of Rise Broadband, the nation's largest fixed wireless service provider, with responsibility for sales, marketing, product management, engineering, construction, field and customer operations, and corporate strategy. Prior to joining Rise Broadband, Dave held several executive positions at Cincinnati Bell over a 14-year period, including Chief Operating Officer; Senior Vice President/General Manager, Business & Carrier Markets; Vice President & General Manager of the Evolve Business Solutions subsidiary; and, Vice President, Product Development.

As you know, Sprint and T-Mobile announced in early 2018 that they had signed an agreement to merge. We continue to believe that a merger of these two companies makes tremendous sense, and is needed to create a stronger challenger to the market domination of AT&T and Verizon. Throughout the year, we followed the public reports of progress as Sprint and T-Mobile worked to obtain the necessary merger approvals. As of the writing of this letter, there is still no certainty as to when or if those approvals will be obtained.

Our Sprint PCS affiliate relationship generated 68% of our total 2018 revenue, so the outcome of the merger, and the resulting impact to our wireless business, is of keen interest to Shentel. We have been a successful Sprint affiliate for twenty years, investing our capital to serve mostly rural markets, and growing the Sprint customer base. We have provided tremendous benefit to Sprint, and we believe that we would continue to provide value as an affiliate of the new combined company. If the merger is approved, our agreements with Sprint provide a process for determining whether we will continue our relationship with the combined entity. We continue to believe that any foreseeable outcome will be beneficial to Shentel and our shareholders.

It may be many months before these issues will be resolved. Despite the current uncertainties regarding the future of our affiliate relationship, we remain focused on growing our Wireless business and providing an exceptional experience for our Sprint customers. At the same time, we are continuing to drive improvements in our Cable and Wireline segments.

I remain confident in the ability of our employees, management, and Board of Directors to successfully meet the challenges we face. Our objective has always been to provide quality services to our communities while earning a fair return on our shareholders' investment. I appreciate the support of our shareholders as we continue working towards these goals.

For the Board of Directors,

Christopher E. French
Chairman and President